GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7293
ANSWERED ON:13.05.2005
PROTECTING INTERESTS OF BANK EMPLOYEES
Harsha Kumar Shri G.V.

Will the Minister of FINANCE be pleased to state:

(a) whether India is slowly moving from a regime of large number of small banks to small number of large banks;

(b) if so, the reasons therefor; and

(c) the steps being taken by the Government to protect the interests of the bank employees?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM):

(a) to (c) Indian Banks Association (IBA) has recommended that Government should consider proposals for consolidation between nationalized banks in order to strengthen them. Government has indicated that it would consider specific proposals from nationalized banks as they arise. Any such proposal for consolidation by way of merger etc. of one nationalized bank with another nationalized bank has to come from the management of the banks concerned with Government playing a supportive role as the common shareholder. No directive on Consolidation has been issued by Government or RBI. However, Government will protect the interests of all concerned including the employees before giving concurrence to any merger proposal.